



CITY OF LONG BEACH

C-9

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 22, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Request approval for The City of Long Beach Housing Authority (Housing Authority) to refund three payments to the United States Department of Housing and Urban Development (HUD) totaling \$118,946. (District 6, 8)

DISCUSSION

On March 26, 2008, the Housing Authority received a wire transfer (wire) from HUD in the amount of \$83,314. After contacting HUD regarding the purpose of the wire, HUD determined that the wire was sent in error. On April 1, 2008, the Housing Authority received a notification and instructions from HUD requesting that the funds be returned. The Housing Authority agrees that the wire was received in error and is requesting approval for a refund check to HUD in the amount of \$83,314.

Also, on March 26, 2008, the Housing Authority received a letter from HUD regarding an analysis of the closeout procedures for housing assistance contracts. A June 30, 2007 closeout analysis by HUD of two Housing Authority program contracts, Scherer Park and Pacific Coast Villas, indicated that HUD overpaid the Housing Authority for these programs during the time period of October 1, 2006 – June 30, 2007 (HUD switched computer programs and had to do a mid-year close-out). The Housing Authority concurs with HUD's analysis and is requesting a refund check to HUD in the amount of \$13,168 for Scherer Park and a refund check to HUD in the amount of \$22,464 for Pacific Coast Villas.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on April 7, 2008 and Budget Management Officer Victoria Bell on April 9, 2008.

TIMING CONSIDERATIONS

City Council action is requested on April 22, 2008 to allow the Housing Authority to expedite the refund checks to HUD.

FISCAL IMPACT

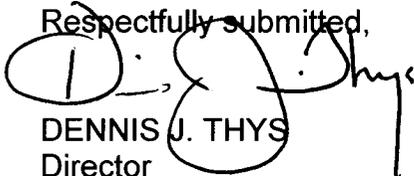
Subject monies represent overpayments and/or erroneous wires received by the Housing Authority Fund (SR 151) in the Department of Community Development. These funds were accounted for, as surpluses, which are not part of City resources, hence, were not utilized in operations. Subject monies are being held in the Housing Authority (SR151) in the Department of Community Development to reimburse HUD.

There is no fiscal impact associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

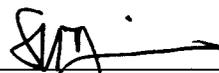
Respectfully submitted,



DENNIS J. THYS
Director
Department of Community Development

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HUD Wire Transfer Refund.doc

Approved:



Patrick H. West
City Manager